

[Filed with the Office of the Federal Register, 12:05 p.m., July 6, 1993]

NOTE: This Executive order was released by the Office of the Press Secretary on July 6, and it was published in the *Federal Register* on July 7.

**The President's News Conference
With Prime Minister Kiichi
Miyazawa in Tokyo, Japan
July 6, 1993**

Prime Minister Miyazawa. I'm sorry to have kept you waiting. Now I would like to lead off with a brief explanation. I would like to, first of all, extend my warmest welcome to President Clinton and his entourage. And it also is, I believe, most meaningful that President Clinton has chosen Asia as the first overseas visit this time. Of course, his visit is for the summit meeting as well, but he will meet with President of Indonesia as well. And I mention, therefore, that I highly rate the fact that he has visited Asia this time and made the Japan-U.S. leaders meeting as well.

Our relations, the Japan-U.S. relations are built on three pillars: security, global co-operation, and our bilateral economy. In April we said in Washington that we should be establishing a framework for our economy, and both of us at the working level had been working on this, but time had lapsed. So I sent a personal letter to President Clinton, and today I also received a kind response to that personal letter. And we wanted on a working level to expedite their work on this matter as quickly as possible. And at the working level, both sides are working. Both of us are determined that a proper framework must be put in place.

And in the summit meetings starting tomorrow, we've agreed that we shall cooperate with each other in bringing the summit meeting to a success.

Mr. President, please.

The President. Thank you very much. First of all, it's very good to see Prime Minister Miyazawa again. We had a fine meeting in Washington in April at the White House, and I was honored to have the opportunity to come here and meet with the Prime Minister before the beginning of the G-7 summit.

It bears repeating again that the United States has no more important bilateral relationship than our relationship with Japan. We are strategic allies and our futures are bound up together. We have one of the world's most important trading partnerships. We have an array of regional and global alliances. And our historic relationship, as it undergoes change, must also maintain some continuity. I have invested a lot in both the change and the continuity because I think they are terribly important. And I was glad to have the opportunity to discuss a wide range of issues with the Prime Minister today.

We discussed the need for a successful conclusion to the Uruguay round and our hope that we can agree, among the G-7 leaders, on market access, on a range of manufacturing products. We discussed the need to coordinate economic strategies of the world's wealthiest economies in the hope of restoring some growth and job opportunities to our own people and to the global economy.

We discussed the issue which the Prime Minister mentioned on the framework of our own relationships, and I'll have a little more to say about that. But before I do, I want to say something about our security relationship which too often is overlooked.

I emphasized to the Prime Minister that the United States intends to maintain our forward military presence, our presence in Japan, our presence in Korea, and our security agreements in this area. We intend to maintain a full engagement in this region. We discussed some of the difficulties that we face here, but we feel confident, looking toward the future, that our security partnership, which has kept us free of war and which has maintained a strict nonproliferation approach in this region, can continue, and we hope that it will.

I also expressed my support for the extraordinary work Japan has done in supporting the process of reconciliation in Cambodia, in supporting United Nations efforts in Somalia and elsewhere. And I also want to say how much I appreciate the support that Japan has given to the efforts the United States has made with the G-7 to support democracy and market reforms in Russia. I be-

lieve that we will see a very positive outcome to those common efforts here at the G-7 meeting.

The primary focus of our relationship was strengthening the economic relationships between our two nations. We are moving away, I hope, from continued tension toward greater shared benefits. The changes I seek in our relationship are not changes that I hope will benefit the United States at the expense of Japan but changes that I believe will benefit the people of both nations. We discussed this back in April. We discussed it again today.

As the Prime Minister said, we reaffirmed our belief in the importance of creating a framework and establishing basic principles for our trading relationships. I remain convinced that we can conclude an important agreement on this issue. The negotiations have not been free of difficulty, but frankly, some significant progress has been made. And we agreed in our private meeting that our respective sides would continue to work in good faith and with real intensity during the next few days to see what we can do.

The best way we can strengthen our historic friendship, as we must, is to make our trade and investment genuinely in the best interests of the peoples of both countries. I hope we will have more trade, not less, more openness, more growth, and more jobs in both Japan and the United States. And I believe we can achieve that with the proper framework.

Finally, let me say that it's a great pleasure for Mrs. Clinton and I both to be back here in Japan. I came here several times when I was a Governor. I suppose, Mr. Prime Minister, I won't have quite the freedom of movement that I once enjoyed as a more private citizen, but on the other hand, I'm being treated to an enormous amount of Japanese hospitality, for which the United States is very grateful, and I look forward to the next few days.

Prime Minister Miyazawa. Thank you very much. Now questions, please.

Framework Agreement

Q. I would like to ask this question of both leaders. I understand from your remarks just now that you have not reached an agreement on the framework which is a matter of focus.

I wonder, on these matters of great contention between Japan and the United States like the setting of targets with reduction of surplus, or on the Japanese side, there is a compromise idea for specific sectors, and I wonder if there has been any move closer to each other. If so, how far have you been able to move to each other?

Prime Minister Miyazawa. Well, if you ask, have we not reached any agreement, that is wrong. Over the past several days, I myself, and President Clinton have exchanged letters and through that process, the working level of both sides, setting the target of the summit, decided to finalize our work. And that exercise was conducted very intensively, and that effort is continuing.

The President. Let me say that I agree with what the Prime Minister said. Late last week, after the sides had concluded the last round of negotiations without an agreement, the Prime Minister took the initiative and sent me a very thoughtful letter which reached out across the gap between our two positions. I then responded to that letter, and we concluded that both sides should go back to the table. That is where they are.

Differences remain, but enough progress has been made that we believe they should continue to work during this critical period, and that is what they will do. And we have hopes. We don't want to raise false hopes, but we have hopes.

Q. Mr. President, in light of the possible pending changes in the Japanese Government, how crucial is it that this framework is reached at this summit? And how likely do you think that would be? And if I could also ask the Prime Minister if he could help Americans understand what the difficulty is that the Japanese have with the idea of numerical targets.

The President. Let me say, if we can get an agreement, the sooner we get it the better. I have been very impressed over the last several days with the terrific amount of energy and engagement that Prime Minister Miyazawa has personally brought to these negotiations and to the openness with which we have discussed these issues and the clear willingness of the Japanese Government and the Prime Minister himself to reach an agreement if we can in good conscience.

There are still issues which divide us. Even if we make an agreement, there will be some issues which divide us. But our purpose is to make progress in dealing with the enormous trade imbalances and also with dealing with the need for our two countries to integrate our economic relationship so that both sides can benefit more. And I believe that it is possible. Conventional wisdom would have it that it would not be possible at such a political moment, but the Prime Minister has defied conventional wisdom. That does not mean that we will get an agreement. We don't know that yet. But at least we are trying, and that's I think a great credit to him.

Prime Minister Miyazawa. Well, both of our countries have a market economy. And even if the government wants to do this or that, that cannot be translated into reality in a market economy. That is what market economy is about.

Now, it is true that the Japanese current account surplus is too large, and we would like to somehow reduce this—work hard at reducing it. There is no doubt about it. But when it comes to suggesting that this surplus should be down to a certain percentage of GDP, you can't control GDP itself. And also since the world trade is free trade, you cannot determine exports and imports. We cannot control either the denominator or the numerator. Therefore, we cannot do that. That's a very simple reason.

Any question from the Japanese side?

Japanese Elections

Q. I would like to ask this question of President Clinton, a question on Japanese politics. In your press conference in Washington, DC, I think you expressed some hope and expectations for Japanese politics. Does that contain your expectations for a change in government? I wonder what sort of expectations you have of Japanese politics?

The President. First let me say I wish I had been able to answer the previous question a little bit. We have a slight difference of view on that. But my views on the trade issue I think are well-known to the lady in orange. So there's no point in bringing them up again.

I'm glad you asked the question about Japanese politics. The United States takes no po-

sition, and I take no personal position on how the people of Japan should vote or will vote. That is a matter for them to decide. What I said and what I believe is that no matter how the vote comes out in terms of the distribution of party preferences for seats in the Diet, this is a period of change and ferment in Japan. It is a period of change and ferment in the United States. It could hardly be otherwise. There is a global crisis of slow growth in the wealthiest countries. There is a global crisis of job growth in the wealthiest countries. Many wealthy countries, even when they have economic growth, are not now creating new jobs.

There is a global feeling among all the democracies of the world that there ought to be more political reform. There is a thirst for political reform in my country, in Japan, in South Korea, in virtually every major democracy in the world. So you see these trends developing around the world.

The point I wanted to make is that, no matter whether the LDP wins the election or there is some different or modified result—however it comes out, this is already a period of change in Japan, and I would hope that that would be viewed with hope and not with fear by the Japanese people. That is a part of the process of democracy, and we can make it a good thing in your country as we are attempting to make it a good thing in ours.

North Korea

Q. Mr. President, last week in an interview with columnists in Washington, you expressed your worst nightmare in Asian security questions would be a North Korea that would have the bomb and be willing to use it. And your second worst nightmare was a Pacific arms race that could lead to—you used the example of development of a nuclear capability by Japan. Could you explain how you feel that might be brought about? And, Prime Minister Miyazawa, would you explain whether you believe that's ever possible under any circumstances, please?

The President. Well, the two are related. I don't think it would ever happen in the absence of the development of nuclear capacity by North Korea and some retrenchment by the United States.

I want to say again, the United States has no intention at this moment or in the future of weakening its security ties in the Pacific, not to Japan, not to South Korea. We intend to stay engaged, and the security commitments we have given with regard to nuclear and defense issues to Japan are as strong today as they have ever been. And they will so remain.

I very much want North Korea to stay in the NPT and to fully comply with all the requirements of doing so. I think it is in the interest of North Korea to do so. I just simply was recognizing the fact that if North Korea did not do that, that would create a lot of difficulty and concern here in Japan. Whatever North Korea does, the United States will honor its commitments to our allies and friends in this region on the nuclear issue and on security issues generally.

Prime Minister Miyazawa. For Japan, if the peoples of the Democratic Republic of Korea acquire a nuclear weapon and also acquire launch capability, that in itself would be a direct threat. It will be a direct threat for Japan. I'm sure you will understand that. We have, obviously, no intention of producing nuclear weapons, and therefore, we will—and definitely we'd be very concerned if we are to be exposed to that sort of threat.

Thank you very much for the press conference.

NOTE: The President's 19th news conference began at 6:04 p.m. at the Iikura House. A tape was not available for verification of the content of this news conference.

Remarks at a Reception for Japanese Leaders in Tokyo

July 6, 1993

Thank you very much. On behalf of Hillary and myself, I want to say how glad we are to be in Japan and how much we appreciate Ambassador and Mrs. Armacost inviting all of you to come here and to meet us.

I want to keep my remarks brief because I hope we can have more time for personal visiting. I do want you to know that I just had a very good meeting with Prime Minister Miyazawa, and we discussed a whole range of issues. I would say, the most important

are that I was able to reaffirm the commitment of the United States to the security relationship that exists between our two nations and the continuing involvement of the United States in a security relationship in Japan and Korea and across a whole broad range of issues that face us as a people.

Secondly, we had a good discussion about our efforts at the upcoming G-7 summit to promote a higher rate of economic growth throughout the globe, to open more markets to trade through the Uruguay round, and finally, to try to secure democracy and market reforms in Russia, something that Japan has been very helpful to the United States on and for which we are very grateful.

And lastly, we discussed negotiations which are still ongoing in our attempt to establish a framework of basic principles for a new agreement about our trading relationships. Perhaps we can have more to say about that in our personal conversations.

The United States thinks it is absolutely critical for the imbalances to be reduced. We think it is in the interest of both countries for that to happen. We have worked very hard in our Nation on increasing our productivity and our ability to compete in the last several years. And now, as you know, we are taking very, very strong steps to do what our Japanese friends have asked us for years to do, which is to bring down our Government's deficit.

So we come here with an outstretched hand and the hope that all of the ferment and change and political debate going on in Japan will be a very positive thing for your people and for our relationship. Many of the issues you're debating from political reform to economic issues are also being debated in our country and, frankly, in most advanced democracies. I think this period of change should be viewed by all of us with hope, with the view that we're going to make something very good come out of it, not only in the election process but in the aftermath.

And there is no more important relationship to the United States than our relationship with Japan. And I intend to keep it on a firm footing, and I hope that our relationship with all of you will contribute to that